DOCUMENTS, REPORTS AND LEGISLATION

Industries and Commerce

The Bureau of the Census has published a bulletin on *Manufactures: Delaware* (Washington, pp. 16). Figures relate to 1909 and are compared with the returns of 1904 and 1899. It is to be noted that the census of 1909 makes a different grouping of the persons engaged in industry dividing them into (1) proprietors and officials, (2) clerks, and (3) wage earners. It is not entirely clear whether the tendency toward concentration in large establishments is increasing at a more rapid rate. The average value of product increased from $54,230 in 1904 to $72,782 in 1909. This, however, may be due in part to the increase that has taken place in the prices of commodities. The average number of wage earners per establishment did not increase.

The Tariff Board has published a *Report on the Pulp and News-Print Paper Industry* (Washington, May 15, 1911, pp. 134). A preliminary report on this subject was submitted February 28, 1911. The later document contains returns from mills not included in the earlier report and also a more detailed analysis of the schedules as well as figures relating to the pulp wood costs, intermediate profits, equipment and efficiency, prices, investment, and the relation of output to profit. Returns practically embrace 80 per cent of news-print paper in the United States and also in Canada. As an example of an intensive investigation with the results systematically presented and illustrated by diagrams, the report deserves special consideration.

The Bureau of Manufactures of the Department of Commerce and Labor has prepared a pamphlet of instructions, *Packing for Export,* for the use of those who wish to ship American merchandise to foreign countries (Washington, 1911, pp. 170). The report is largely made up of consular letters, and has some interesting photographs illustrating correct and improper methods.

The same bureau has issued *The Cordage and Twine Trade in Foreign Countries* (Washington, 1911; Special Consular Report No. 45, pp. 47), based upon reports from consular offices.

In a pamphlet upon *The Textile Industries of Philadelphia* (1911, pp. 50), the Philadelphia Commercial Museum places emphasis upon the preëminence of Philadelphia as a textile city. There is also a brief account of the Philadelphia Commercial Museum and its Bureau of Foreign Trade.

The Committee on Railways and Canals of the House of Representatives has printed *Hearings on the Commerce of the Great Lakes. History of the Navigation of the Great Lakes,* by Ralph G. Plumb (Washington, 1911, pp. 83). The monograph by Mr. Plumb constitutes practically the entire document.

The Bureau of the Census has begun the publication of *Bulletins on Agriculture,* the first being devoted to *Wisconsin.* The principal topics treated are farms, farm property, live-stock, crops, and farm expenses. There is a map showing the per cent of land area in farms and the average value of farm land per acre, by counties. Tenancy made no substantial increase during the last decade. The number of farm homes, or farms operated by their owners, subject to a mortgage is steadily increasing. An innovation in the census of 1910 is an attempt to secure detailed information concerning the nativity of farmers.

The United States Department of Agriculture has published *A System of Tenant Farming and its Results* by G. W. Froley and C. Beaman Smith (Farmers' Bulletin, 437; Washington, 1911, pp. 20). The example is taken from the experience of a large farm in eastern Maryland representing a system embracing 56 tenant farms under one ownership, which has been in successful operation for more than 30 years. The estate consists of 15,630 acres or about 24 square miles. The farms vary in size from 98 to more than 1000 acres. The system has been a financial success.

In Bulletin No. 209 of the Agricultural Experiment Station of the University of Wisconsin (May, 1911, pp. 30), Professor H. C. Taylor treats of *The Prices of Farm Productions.* Special analysis is made of the irregularity of the supply of eggs, dairy products, and potatoes, the supply and price being illustrated in diagrams. In this connection the influence of storage is discussed. In the case of corn there are changed conditions of demand. The relation of the prices of corn and hogs is illustrated by a diagram.

The Agricultural Experiment Station of Cornell University has published *An Agricultural Survey* (Bulletin 295; March, 1911; Ithaca, N. Y., pp. 377-569). The towns embraced in this survey are those of Ithaca, Dryden, Danby, and Lansing, in Tompkins county. According to the preface, this is a contribution to the country life movement and is regarded as the most complete census-taking of its kind that has yet been made. It is an effort to determine the best types of

farming, the best methods of farm management. Among the topics discussed are those of profits, capital, size of farms, distance from market, labor, crops, live-stock, systems of farming, forms of tenure, women as farmers, age of farmers, and size of families on farms. There are many diagrams, tables, and pictures to supplement this discussion.

The Commission of Conservation of Canada has published an interesting survey of *Agricultural Work in Ontario,* by C. C. James, Deputy Minister of Agriculture (Ottawa, 1911, pp. 25). Administrative features of various agencies are described, with a clear-cut statement of the objects in view.

In the *Bulletins of Economic and Social Intelligence, International Institute of Agriculture* (Rome, Italy), there is a large amount of information bearing upon the subject of rural economics. The first of the bulletins is devoted to a study of the business side of agriculture, rural credit, mutual insurance, and farmers' associations of all kinds (September 30, 1910, pp. 430). In the two succeeding issues there are descriptive and interpretative texts concerning farmers movements and agrarian problems in different countries.

From the *Report of the Department of Railways and Canals; Canal Statistics for Season of Navigation, 1910* (Ottawa, 1911), it appears that canal traffic is rapidly increasing in Canada. Freight tonnage in 1910 was 42,991,000 tons as compared with 33,721,000 tons in 1909.

Corporations

Supervision of Rates. The Massachusetts Board of Gas and Electric Light Commissioners has recently rendered an interesting decision upon petition of customers of the North Adams Gas Light Company. This company was selling gas and electricity at such rates that even with no allowance for depreciation the gross profits did not suffice to pay the regular interest and dividend charges on its legitimate capital. Upon examination, however, it appeared that nearly all the company's operations, especially its plant construction and purchase of supplies, were virtually carried on by a West Virginia corporation, known as the Light, Heat, and Power Corporation, and that a community of interest between the two companies was established through the identity of their ownership and of their principal officers. Furthermore, the method of carrying on the business substantially increased the current charges of the North Adams Gas Light Company,

both for materials and for wages of management, and the whole arrangement tended to deceive the public as to the real profits of its owners. In view of these facts, the Commissioners ordered a reduction of rates as requested in the consumers' petition. This decision reveals a purpose on the part of the Commissioners to go behind the face of the returns in their dealings with lighting companies, and to insist upon the payment of no more than reasonable prices for materials and of no more than reasonable wages of management to the principal officers by companies which desire to pay no less than normal dividends. Whether the Commissioners would have taken notice of the payment of excessive wages of any other kind than wages of management is an interesting question, to which the decision supplies no direct answer. The evidence contained in the printed report does not show that the principal officers were owners, or in any way interested in the profits on the capital of any of the companies. On the contrary, the Commissioners explicitly state that "the combined salaries paid to these officers by the several companies are larger than the volume of the business or its character would justify, *or that* [sic] *the interest of the owners, ... would permit.*"

A. N. Holcombe.

Two briefs filed with the United States Commerce Court in regard to its powers have been recently printed. One is entitled *The Jurisdiction of the Commerce Court considered from the Standpoint of constitutional Right of the Carrier to charge a reasonable Compensation for each Service,* by Alfred A. Thom, general counsel of the Southern Railway Company (Washington, pp. 56). The second is *The Extent and Character of the Jurisdiction of the Commerce Court over "Cases brought to enjoin, set aside, annul, or suspend in Whole or in Part, any Order of the Interstate Commerce Commission,"* by Walker D. Hines (New York, pp. 46). Mr. Thom has also printed a paper on *The Construction and Constitutionality of the Long and Short Haul Clause of the Interstate Commerce Act as amended June 18, 1910* (pp. 102).

An important contribution to the study of valuation of corporate property is to be found in *Summary of Report of the Commissioner of Corporations on the Steel Industry* (Washington, July 1, 1911, pp. x, 60). The Bureau of Corporations has endeavored to separate the market value of physical property from values based on intangible factors, as merger value, integration value, and monopolistic value.

According to this investigation the valuation of tangible assets in 1901 was $682,000,000 as against $1,400,000,000 of issued securities. Since 1901 the value of the property has increased until at the end of 1910 it amounted to $1,187,000,000 as against $1,468,000,000 of securities. The average rate of profit from 1901 to 1910 on the actual investment was 12 per cent. Additional reports will deal with costs and prices.

Bulletin No. 18 of the Interstate Commerce Commission entitled *Revenues and Expenses of Steam Railroads in the United States,* compiled from the monthly reports covering the years ending June 30, 1910 and 1909 (Washington, 1911, pp. 249), is to be compared with the Bulletin No. 5 which covers the year ending June 30, 1908. A diagram illustrating revenues and expenses shows the effect of the reduction in revenues in the latter part of 1907.

The subject of scientific management as applied to the railroads is discussed in *Revised Railway Management,* by Howard Elliott, President of the Northern Pacific Railroad (March 16, 1911, pp. 8); and in *Efficiency of Public Service of the Railways,* by Julius Kruttschnitt of the Union Pacific system (April 26, 1911, pp. 28). The latter was delivered before the Graduate School of Business Administration of Harvard University. A third contribution is *Efficiency,* by Frank Trumbell, an address delivered before the Canadian Club of New York, March 4, 1911 (pp. 8). Closely allied to the subject is *The Relation of the Railway to the Community and State-Wide Advertising,* also by Mr. Elliott (pp. 14).

The economic development of the southern section of the country is touched upon in *Railway Prospects in the South,* an address by L. E. Johnson, President of the Norfolk and Western Railway Company, before the Southern Commercial Congress, March 10, 1911 (pp. 18).

The Legislative Reference Department of the Ohio State Library has made a comparison of public utility legislation in New York, Wisconsin, Massachusetts, New Jersey, and Maryland, in a pamphlet entitled *Public Service Commission Laws* (Columbus, 1911, pp. 18). The pamphlet is prepared by Mr. John A. Lapp, Legislative Reference Librarian of Indiana. There is a bibliography of three pages. It has also published *Regulation of Public Utility Bills* (pp. 36), by Allen Ripley Foote.

The *Report of the Public Service Commission of Maryland for the Eight Months Ended December 31, 1910* (Baltimore, 1911, pp. 399), the first report issued from this state, contains useful material for the

student, in the printing of the opinions filed by counsel before the commission in various cases which came before the board for hearing.

The *Report of the St. Louis Public Service Commission on House Bills 436 and 437* (St. Louis, March 24, 1911, pp. 23), objects to the proposed franchise grants to the United Railways Company because of inadequate payments in lieu of existing taxes, lack of provision for adequate service, and undue length of franchise running for 37 years.

Summarized tables showing the dividends paid by telephone companies over a long series of years in New York state may be found in the *Report of the Joint Committee of the Senate and Assembly of the State of New York Appointed to Investigate Telephone and Telegraph Companies* (Albany, 1910, pp. 35).

The Bureau of Railway News and Statistics has issued a leaflet entitled *Railway Mail Pay Inadequate, Not Excessive* (409 Railway Exchange Building, Chicago, June 24, 1911). This denies the charge that there is graft in this department of public service.

Labor

New York Workmen's Compensation Act Unconstitutional. On March 24, 1911, the New York workmen's compensation act, known as article 14-a of the labor law, was declared unconstitutional by the Court of Appeals, the tribunal of final authority in the state. The law was enacted in 1910, after a careful legislative investigation, conducted by the so-called Wainwright Commission. It provided that in certain dangerous occupations the employer should be liable to pay compensation (at rates set forth in the act) sustained by workmen through accidents arising out of and in the course of their employment. The basis of liability was: (a) if the accident was caused by a "necessary risk or danger of the employment or one inherent in the nature thereof"; or (b) if the accident was due to failure "of the employer of such workmen or any of his or its officers, agents or employees to exercise due care, or to comply with any law affecting such employment," providing, however, that the "employer shall not be liable in respect of any injury to the workman which is caused in whole or in part by the serious and wilful misconduct of the workman."

This statute very clearly set aside the common law doctrine of employers' liability. Under the common law, if a workman is injured in the course of his employment, the loss falls upon him and his family. Action can be brought against the employer only if the injury be

through his negligence, and even so the workman concerned must not have shared in the negligence. If the employer cannot be proven at fault, the loss, *ipso facto,* falls upon the workman, although the latter too was without fault.

In modern industrial accidents, the fault is frequently, if not usually, of an impersonal nature, resting with neither the employer nor the employed, being hidden in the intricacies of a complex organization. The hazards are connected with the business, but our law compels the workmen, not the owner of the business, to bear them. The injustice of such procedure has been dwelt upon at length in recent discussion and need not be restated here.

The employments included in the act are as follows:

1. The erection or demolition of any bridge or building in which there is, or in which the plans and specifications require, iron or steel frame work.
2. The operation of elevators, elevating machines or derricks or hoisting apparatus used within or on the outside of any bridge or building for the conveying of materials in connection with the erection or demolition of such bridge or building.
3. Work on scaffolds of any kind elevated twenty feet or more above the ground, water, or floor beneath in the erection, construction, painting, alteration or repair of buildings, bridges or structures.
4. Construction, operation, alteration or repair of wires, cables, switchboards or apparatus charged with electric currents.
5. All work necessitating dangerous proximity to gunpowder, blasting powder, dynamite or any other explosives, where the same are used as instrumentalities of the industry.
6. The operation on steam railroads of locomotives, engines, trains, motors or cars propelled by gravity or steam, electricity or other mechanical power, or the construction or repair of steam railroad tracks and road beds over which such locomotives, engines, trains, motors or cars are operated.
7. The construction of tunnels and subways.
8. All work carried on under compressed air.

Obviously, these employments are especially dangerous and the legislation passed was undoubtedly needed. Other employments not specified in the above list were not covered by the act, and employers' liability remained as before. However, had the law stood the constitutional test, it would probably have been gradually extended to cover all inherently dangerous trades. It is to be observed that no business was included which, under the new liability, would have been placed at competitive disadvantage with similar businesses in other states. All the enterprises enumerated are of a fixed and local nature, and are not affected by outside competition. Consequently, the costs to em-

ployers arising from the new liability could have been easily added to the price of the product and have been thus shifted upon the public in general. No hardships were aimed at employers, and probably no serious ones would have been sustained.

The Court of Appeals declaring the act unconstitutional, based its decision upon two points: (1) the Fourteenth Amendment to the Constitution of the United States and Section 6, Article 1 of the Constitution of the State of New York guarantee all persons against deprivation of life, liberty and property without "due process of law." For the public good, law may require that dangerous machinery be fenced, that reasonable safety appliances be constructed, and that proper sanitary arrangements be provided. If an employer disregards any such direct and positive duties created by law, and as a consequence injury falls upon his workmen, he is held liable for damages on the ground of negligence. But, under the recent New York statute, although an employer had obeyed every law and neglected no duty, he would still have been liable to pay compensation to workmen injured through accidents of the business; in other words, in the view of the Court, he would have been subjected to penalties when he was not at fault. To exact such a penalty, the Court held, would be taking property without due process of law, and any legislation creating such a penalty must therefore be unconstitutional.

(2) The second point forming the basis of the Court's decision is inseparably connected with the first. The act in question was passed by the legislature under the "police power" of the state. Any legislation looking toward the prevention of public evils or toward the promotion of the public good comes under this power. However, such laws, particularly those placing new limitations upon property rights, must show that they will actually work for the public good, otherwise they are invalid. In the present case, the Court held that the law "does nothing to conserve the health, safety or morals of the employees, and it imposes upon the employer no new or affirmative duties or responsibilities in the conduct of his business. Its sole purpose is to make him liable for injuries which may be sustained wholly without his fault, and solely through the fault of the employee, except where the latter fault is such as to constitute serious and wilful misconduct." Consequently, the Court decided that the law was not a proper use of the state's police power, and was therefore invalid.

The decision is an exceedingly unfortunate one. The statute was passed in response to public opinion, was approved by everybody interested in the improvement of labor conditions, and was designed not

only to place workmen in equitable legal relations with their employers, but also to remove an important cause of ill-feeling between the two classes. Moreover, the writer believes, the decision was not necessary in law; in connection with this belief, the writer wishes to present briefly, without attempt at analysis, the following considerations:

(1) The Court adopted a narrower meaning of "due process of law" than was legally necessary; more liberal interpretations of the terms have been made by other courts in other cases. (2) Similarly, the Court's view of police power, especially as applied to the case in question, is exceedingly illiberal. Certainly, public opinion considered the law as promoting the public good, and therefore as coming under the police power of the state. (3) In several instances legislation creating *liabilities without fault* has been passed and has been upheld by the courts. By such legislation owners have been made responsible for remote and the more serious consequences following the use of their property, and this is exactly what was sought to be done by the New York statute. (4) The admiralty law recognizes a liability like the one annulled by the recent decision. When a seaman is sick or is injured, he is entitled to care at the expense of the ship, although the owner or master was not at fault. This is the kind of responsibility which was to have been placed upon employers by the New York statute. (5) The Court held that it is "clearly and fully within the scope of legislative power" to change or entirely do away with the fellow servant doctrine and the contributory negligence rule. Why, then, can the owner not be made entirely responsible for the serious consequences of his business?

These points clearly indicate that the decision of the Court was not a necessary one as far as the letter and spirit of the law was concerned. Workmen's compensation acts constitute an important part of the program for remedial legislation throughout the country. In few states, such laws have already been enacted; in several other states they probably will be enacted in the immediate future. Social students ought to be unanimous in hoping that the courts determining the constitutionality of these laws will not be controlled by the recent decision.

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Ohio Workmen's Compensation Act of 1911. As mentioned in the last issue of the REVIEW (p. 421) the Ohio Commission on Employers'

Liability and Workmen's Compensation failed to agree and presented a majority and a minority report. The two points of disagreement were (1) as to whether acceptance by the employers of the principle of compensation and their subscription to the state insurance fund should relieve them of the danger of suits for damages under the employers' liability law which had been greatly modified by the legislature in 1910 in such a way as to increase the scope of the employer's liability; and (2) as to whether employees as well as employers should contribute to the state insurance fund out of the proceeds of which injured employees were to receive compensation. The majority report recommended that employees contribute 25 per cent of the fund and that employers who subscribed the remaining 75 per cent be relieved of further liability under the law. The minority report which was presented by one of the labor members of the Commission was opposed to any contribution by employees and favored giving them the alternative of accepting compensation under the act or of bringing suit under the employers' liability law.

In the act which passed the legislature on the closing day (May 31) of the session and was signed by the governor a compromise was reached on both the disputed points. Employees are to contribute 10 per cent of the fund and this is to be deducted from their wages and paid by the employer. Employers pay the remaining 90 per cent of the fund but the expenses of administration are to be paid from the state treasury. Where employers accept the principle of compensation and subscribe to the state insurance fund the injured employee loses the right to bring suit except where injury has arisen from the willful act of the employer or his agents or from failure to comply with any municipal ordinance or state law or order of the state factory inspectors for the protection of the life or safety of employees.

In its main features the act follows the lines of the minority report of the Commission rather than the report of the four members who constituted the majority. The act provides for the creation of a state insurance fund under the supervision of a state liability board of awards composed of three members appointed by the governor. The Board is to employ an actuary and other experts and is to "classify employments with respect to their degree of hazard, and determine the risks of the different classes and fix the rates of premiums of the risks of the same, based upon the total pay-roll and number of employees in each of said classes of employment, sufficiently large to provide an adequate fund for the compensation provided for in this

act and to create a surplus sufficiently large to guarantee a state insurance fund from year to year."

The act is applicable to all occupations and to all employers who employ five or more workmen regularly in the same business. Acceptance of the principle of compensation and payment of premiums into the insurance fund is optional with employers but those who employ five or more workmen and who do not subscribe to the fund may not in case they are sued for damage avail themselves of the common law defenses of the fellow servant rule, the assumption of risks or contributory negligence. Apparently employers who employ less than five workmen are to be liable, as heretofore, under the amended employers' liability law.

The compensation to injured employees or to the dependents of those killed in course of employment which is provided by the act is as follows: (1) funeral expenses not to exceed $150 in case of death; (2) medical attendance and hospital service not to exceed $200 in all cases of injury; (3) in case of temporary or partial disability 66-2/3 per cent of the impairment of earning capacity during the continuance of such disability, but not more than $12 and not less than $5 per week and not to continue more than six years from date of injury; (4) in case of permanent total disability 66-2/3 per cent of average weekly wages until death, but not more than $12 nor less than $5 per week; (5) in case of death 66-2/3 per cent of average weekly wages for a period of six years if there are wholly dependent persons, or for such portion of six years as the Board may determine if there are partly dependent persons. The maximum amount of compensation is in all cases fixed at $3400. No benefits except payment for medical attendance and hospital services are to be paid to injured employees during the first week following injury.

The state liability board is given the power to apportion the benefits in case of death among the dependents of the deceased, and under special circumstances it may commute periodical benefits to one or more lump sum payments.

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The Library of Congress has prepared a *Select List of References on Boycotts and Injunctions in Labor Disputes* (Washington, 1911, pp. 69). This list supplements the entries found in the decennial edition of the "American Digest, Annotated," 1897-1906, and of the "American Digest, Annotated," 1906-1910. Bibliographical data of

these works with special page references are given. Articles in periodicals go back as far as 1884.

A Workmen's Compensation Law has also been enacted in New Hampshire. The new act contains a sweeping employers' liability clause which abolishes the fellow-servant and assumption of risk rules. This is supplemented by compensation provisions, and employers are given the option between liability under the two clauses. It is expected that very generally they will adopt the compensation liability as the less onerous of the two. An injured workman has an option between a suit under the common law as heretofore practiced and compensation. The latter being on the whole the more liberal, it is hoped that the employee will adopt it.

The legislature of Michigan has authorized the appointment of a commission of five members to investigate industrial accidents and report a bill to the next legislature. A similar commission, with limited powers, however, has also been appointed in Maryland.

A plea for the opportunity to enact a thorough-going workmen's compensation law is made by Mr. Jacob Piott Dunn in *The Proposed Constitution of Indiana* (Indianapolis, Centennial Printing Company, 1911, pp. 48, 8). The proposed new constitution to be voted on in November, 1912, contains the following section: "All courts shall be open; and every man, for injury done to him in person, property or reputation, shall have remedy by due course of law; but the General Assembly may enact a workman's compulsory compensation law, for injuries or death occurring in hazardous employment. In enacting such law, the General Assembly shall have the right to define hazardous employment."

The Legislative Reference Department of the Ohio State Library has published a pamphlet, *Workmen's Compensation or Insurance against Loss of Wages Arising out of Industrial Accidents* (Columbus, Board of Library Commissioners, 1911, pp. 49).

The hearings before the commission on *Employers' Liability and Workmen's Compensation* of the Federal Senate and House of Representatives, held May 10, 1911, have been published in a small pamphlet (Washington, 1911, pp. 34). This commission is to report by January, 1912.

Special Labor Commissioner of California, Harris Weinstock, has issued a special *Report on the Labor Laws and Labor Commissions of*

Foreign Countries in Relation to Strikes and Lockouts (Sacramento, 1910, pp. 157). Conclusions and recommendations are appended. Information will be found in regard to wages boards.

The Bureau of Statistics of Massachusetts has issued a report on *Prevailing Time-Rates of Wages and Hours of Labor,* on October 1, 1910 (Boston, 1911, pp. 79). The report is based upon scheduled inquiries sent to labor organizations.

The Thirty-second Annual Report of the Bureau of Statistics of Labor and Industries of New Jersey, for 1909 (1910, pp. 307) contains some 45 pages of classified weekly earnings by industries.

The Bureau of Statistics of Massachusetts has published the *Second Annual Report on Labor Organizations,* 1909 (Boston, 1911, pp. 263-355). This report is more complete than that of 1908 in that information is presented in regard to benefit payments. This forms a useful supplement to the report which is annually made by the American Federation of Labor in regard to benefits paid by international organizations, inasmuch as the Massachusetts report deals more particularly with benefit payments by local unions.

In the *Fourteenth Biennial Report of the Bureau of Labor Statistics of California* for 1909-1910 (Sacramento, 1910, pp. 439), special attention is given to the subjects of child labor and employment offices. The report also contains an interesting collection of photographs illustrating the industries of the state.

Students of public employment offices will find elaborate tables in the *Twelfth Annual Report of the Bureau of Labor Statistics of the Illinois Free Employment Office,* for the year ending September 30, 1910 (Springfield, 1911, pp. 102). The analysis is fuller and more complete than is generally to be found in reports of this character.

A pamphlet on the *Proposed Minimum Wage Law for Wisconsin* prepared for the Wisconsin Consumers' League under the direction of Professor Commons has recently been published (Madison, 1911, pp. 18). This contains a brief discussion of wage boards in England and Australia, and articles on women's wages in Milwaukee, and the constitutionality of a proposed minimum wage law.

The Commissioner of Accounts of the City of New York has issued *A Report on the Sanitary Condition of Bakeries in New York* (April 18, 1911, pp. 16), based on the inspection of 145 bakeries. Part of these inspections were made in coöperation with a representative of

the Consumers' League. It is reported that more than half of the bakeries visited had broken, dirty floors, and filthy side walls and ceilings.

Twelve abstracts of papers are to be found in *The Economic Seminary, 1910-11, The Johns Hopkins University Circular* (No. 4, 1911, pp. 63). Eight of these deal with labor subjects; one with "The Defect in Adam Smith's Theory of Money," by Professor Hollander; and one with "The Breaking Down of the Distinctions between the Classes of Banks in the United States," by Professor Barnett.

The Ohio legislature at its last session passed an act which limits the number of hours of work which any woman may perform in most of the manufacturing and mercantile establishments in that state to 54 per week. The constitutionality of the statute is soon to be tested in the courts.

A commission to investigate the wages of women and minors and to report on the advisability of establishing minimum wage boards has been authorized under legislative resolve (May 11, 1911) in Massachusetts. More specifically, this commission is to report on the advisability of establishing a board to which shall be referred inquiries as to the need and feasibility of fixing minimum rates of wages for women or minors in any industry. The commission is to report by January, 1912. Following are the members of the commission: President Henry Lafavour of Simmons College, chairman; Richard Olney 2d; John Golden; Elizabeth G. Evans; and George W. Anderson.

The government of the province of Saskatchewan has recently organized a Bureau of Labor. There has just been passed in this province a new *Workmen's Compensation Act* which is extremely radical. Copies of the act may be obtained by addressing Thomas L. Molloy, Secretary of the Bureau of Labor, Parliament Buildings, Regina, Saskatchewan.

The Labour Department of the Board of Trade, England, has published the *Fourteenth Abstract of Labour Statistics of the United Kingdom, 1908-1909* (1911, pp. xviii, 312). New tables relate to the labour exchanges, the census of production statistics, the price of coal, and the census of paupers.

This office has also issued *Standard Time-Rates of Wages in the United Kingdom, as October 1, 1910* (1911, pp. 126). This is the fifth report on this subject. The information is derived from reports made by employers and workmen's associations.

Money and Banking

The Monthly Circular Letter of the National City Bank of New York for June, 1911, is devoted to a discussion of the efforts being made by the Comptroller of the Currency to induce clearing house associations in reserve cities to undertake the examination of banks under their authority. A summary is made of the reforms which the comptroller has made in bank supervision during the three years of his term of service.

The Superintendent of Banks of California in his *First Annual Report,* 1910 (Sacramento, 1910, pp. 542) calls attention to the successful experience in administering the new Bank Act of that state. A credit system has been established by the superintendent and all loans above a certain figure are listed and combined in his office.

In the *Nineteenth Annual Report of the Secretary of The State Banking Board of Nebraska,* for 1910 (Lincoln, 1911, pp. 388), attention is called to the need of revising the new Bank Act in regard to the section which limits the loans a bank may make to eight times its capital and surplus.

In an address before the American Institute of Banking, February, 1911, entitled *Loans and Discounts,* by Joseph T. Talbert, there is a brief discussion of acceptances (pp. 13).

A contribution to the monetary history of Chile has been made in a volume entitled *Chile 1851-1910: Sixty Years of Monetary and Financial Questions and Banking Problems,* by Agustin Ross (Valparaiso: Westcott & Co., 1911, pp. 238). This includes chapters on "The History of the Production of Gold in Chile," "The Financial Crises of 1861," "Metallic Conversion of 1895," "The Return to Paper Money in 1898," and a discussion of inconvertible paper money.

Public Finance

The Single Tax Movement in Oregon. The single tax is of the class of causes that makes almost a distinct people of those whom it affects, so possessed do the adherents become. For some half-a-dozen years they have had deep designs upon Oregon. This state is now probably the chosen battle ground on which they hope to press their cause to earliest successful issue. If the Oregon contingent could only exhibit a little of the moderation that the father of the idea had, and which the accredited national exponents of the movement even now show, all tax reformers would hail them as allies. Oregon's system

of taxation has yet to receive its first slightest impress from the single tax crusade, excepting that a partial opening has been made for the introduction of single tax experiments in the separate counties. An amendment to the state constitution through initiative procedure was adopted last November having this in view.

The conditions in the state that constitute the factors of such promise of consummation as the movement has are the following: (1) The presence in the state of a small but compact group of astute and determined adherents to the Henry George idea in its most radical and revolutionary form. (2) The fact that the Oregon system of direct legislation lends itself to shrewd manipulations whereby schemes are promoted at the polls which the voters at the time are quite unconscious of. (3) A traditional system of taxation in the state that has involved almost exclusive reliance upon a primitive form of the general property tax including taxation at a uniform rate of all personalty, credit instruments, improvements, etc. (4) The existence in the state of large tracts of idle lands held for speculation.

The first overt move for a modification of the state system of taxation in the direction of a single tax was made by filing with the Secretary of State on January 28, 1908, an initiative petition for a constitutional amendment to be submitted to the voters in the following June. The amendment read as follows:

> The Legislative Assembly shall provide by law for uniform and equal rate of assessment and taxation; and shall prescribe such regulations as shall secure a just valuation for taxation of all property, both real and personal, excepting that all dwelling houses, barns, sheds, outhouses and all other appurtenances thereto, all machinery and buildings used exclusively for manufacturing purposes and the appurtenances thereto, all fences, farm machinery and appliances used as such, all fruit trees, vines, shrubs, and all other improvements on farms, all live stock, all household furniture in use, and all tools owned by workmen and in use, shall be exempt from taxation; excepting also such property for municipal, educational, literary, scientific, religious or charitable purposes, as may be specially exempted by law.

The Oregon system provides for the distribution to all voters of the texts of the measures to be voted on, whether referendum or initiative proposals. The privilege is accorded the champions and opponents of the several legislative projects of inserting an argument for and an argument against the approval of each. No argument against this proposed tax amendment of 1908 was filed. In the extended argument in support of it there was the explicit declaration that it was "a step in the direction of the Single Tax." The argument proceeded to specify, "If adopted it would exempt most personal property and

improvements from taxation, and the argument submitted has in view that all such property will ultimately be exempted. It does not exempt business buildings, merchandise, cash, improvements of public service corporations, and a few other articles of personalty and improvements."

It is evident that a sharp discrimination was attempted between mercantile, banking and transportation pursuits on the one hand and manufacturing industries on the other. The buildings and machinery of the latter were to be exempt while the buildings, capital and stock of the former were to remain subject to taxation. Nothing was urged in the argument in defense of this discrimination, excepting that much emphasis was placed on the importance of attracting manufactures to the state through tax exemption. Furthermore, it was claimed that the "merchant and, in short, every producer," would benefit if the amendment carried. Just what "manufacturing" would include was not defined.

The existing system of taxation was inveighed against as levying "an outrageous toll on industry." With the adjustments made that the proposed amendment provided for, taxes, it was asserted, would fall on "land monopoly," the "base of every monopoly"; and the "blighting curse of landlordism" would be removed. The amendment, it was alleged, would "benefit all workers by multiplying demand for labor in factories, on farms and in construction and distribution, by making them independent through free use of land, by making of each a home owner, and by increase of wages which will rise as rent—monopoly power—falls." The proposed amendment was freely discussed by the press of the state during the months intervening between the filing in January and the vote in June. The ballot on the measure stood 32,066 ayes, 60,871 noes.

In the two-year interval between June, 1908 and June, 1910, no activity of propagandism was discernible. But now a second appeal to the voters on this issue was resolved upon. The tactics, however, were quite different from those employed in the former venture. A more stealthy plan of advance was arranged. The measure of subterfuge resorted to this time indicates either a less sanguine trust in the inherent justice of their cause as the basis of hope of victory, or a weakened confidence in the intelligence of the average voter, or both. At any rate the adroitly concocted combination of provisions of the amendment instigated by the single tax contingent in 1910 was far different from the frank appeal to the virtues imputed to the single tax that characterized their argument in 1908.

The mask under which single tax made what entrance it has effected into Oregon was not unlike the fabled wooden-horse strategy ascribed to the Greeks in their taking of Troy. The text of the amendment initiated was as follows:

No poll or head tax shall be levied or collected in Oregon; no bill regulating taxation or exemption throughout the State shall become a law until approved by the people of the State at a regular general election; none of the restrictions of the constitution shall apply to measures approved by the people declaring what shall be subject to taxation or exemption and how it shall be taxed or exempted whether proposed by the legislative assembly or by initiative petition; but the people of the several counties are hereby empowered and authorized to regulate taxation and exemptions within their several counties, subject to any law which may be hereafter enacted.

A three-dollar county road tax and an additional one-dollar state poll tax had been customarily levied up to 1907. The legislature of that year had omitted both from the list of required levies, though it seems some of the counties were still levying the three-dollar per capita road tax. It was an iniquitous tax and the average voter thought it might be still alive, so naturally there was little hesitation in voting "aye" towards giving it a quietus. To satisfy others who might not be persuaded by the poll tax prohibition a clause hobbling the legislature was inserted so that it would be disqualified to do more than initiate tax legislation. The county option feature of the amendment naturally appealed to some on account of the very diverse interests of different portions of the state, rendering it exceedingly difficult to fit a suitable general tax code upon all. These various elements of discontent were appeased by the different provisions of the amendment. The voter was taken off his guard. The fact that he had thirty-two different propositions to pass judgment upon was not conducive towards registering rational action on all the measures as he stood in the booth. As it was this amendment carried by a majority of 1,655. Two other tax amendments that had been carefully devised by the preceding legislature of 1909 were pending at the same election. These were defeated. The adoption of them would have afforded an avenue of escape from the hide-bound system of taxation in force. There was no justification, therefore, for the favorable action on the single tax or county option amendment on the score of a situation calling for the tactics of desperation. Had the amendments submitted by the legislature been approved the largest degree of liberty for tax reform, consistent with the retention of the conditions of a workable system, would have been secured.

The devising of a system of taxation for a state has been usually,

throughout our nation, assigned to an expert with the counsel of a small commission; and, moreover, the ideal has been to devise a system which shall constitute an organic whole. To the promoters of this Oregon county option amendment such universally accredited practice appears as a fetish and a delusion. The only tax argument that appeared in the voters' pamphlet was one directed against the poll tax. The single tax or rental value taxation was not by its advocates, during the progress of the campaign, very openly declared to be the aim of the county option amendment. Furthermore, the anti-poll-tax argument was appended to one of the other proposed tax amendments in a statement made by the labor organizations and intended for the support of the three amendments collectively. The claim that the single tax, so far as it has foothold in Oregon, was smuggled in under the guise of a prohibition of the poll tax is surely not unwarranted.

When the legislature met in regular biennial session in January, 1911, it was naturally diffident about undertaking any general tax legislation. Its competency for tax legislation had already been questioned. Not only were the legislative tax amendments rejected but its power in this field was restricted to mere initiation of legislation. Furthermore, under the newly adopted county option amendment county regulation and exemption were made the rule and all tax legislation must be adjusted to that principle. Exponents of the single tax idea were suggesting that by initiative measures the taxation of each county should be organized in accordance with the authority granted by the county option amendment. Their claim is that the voters in each county can enact their own legislation for carrying the amendment into effect. It is proposed to do this in November, 1912. The specific procedure for county initiative is, however, lacking. It is provided only for the state as a whole and for separate municipalities.

The legislature soon became cognizant of the fact that a large majority of its membership repudiated the principles enacted in the county option amendment. This attitude was justified through the fact that the people had been virtually hoodwinked into adopting it, and the retention of it meant chaos in matters of taxation. Accordingly, steps were taken to submit an amendment for repeal of it in so far as it provides for county option in taxation. A provision that the legislature shall not deny a referendum on any tax law was substituted for that clause of the amendment which refuses to the legislature on any tax measure all power beyond that of initiation. Co-

incidently with this step other amendments were submitted to start anew a rational procedure for state tax reform. For this purpose the amendments that had been rejected in the last election were renewed as essential for realizing any effectually equal and uniform taxation.[1] Such has been the procedure of other states with similar problems. A single tax would be possible under a constitution so amended, as is possible in other states with like constitutional provisions; but such a tax on rental value alone would be possible only by a vote of the whole people and not at the option of separate counties.

During the session of the legislature bills having a single tax tendency, with provisions for separate assessments of land and improvements, met with little favor. Real progress in the direction of taxation of unearned increments, and in the attainment of equitable taxation generally, is being retarded by the would-be tax reformers with their over-radical projects. They see the inequities of the present system—and who does not—but they seem to be blind to the certainty of inflicting far greater injustice with the harsh and headlong changes their proposed measures would effect.

F. G. YOUNG.

Ohio's One Per Cent Tax Law of 1911. The failure of Ohio's famous tax inquisitor law has not discouraged the believers in the general property tax in that state. The Ohio legislature which adjourned on May 31st last, has undertaken an experiment intended to have the effect of securing a complete listing of all property at its full valuation for purposes of taxation. A bill generally known as the Smith One Per Cent Tax Bill, but the passage of which was mainly due to the insistence of Governor Harmon, was enacted into law during the closing days of the session. It provides (1) that the aggregate amount of taxes which may be levied in any taxing district for all purposes, state and local, shall not for the year 1911 exceed the aggregate amount raised in 1910. The 1910 aggregate may be exceeded in 1912 by not more than 6 per cent; in 1913 by not more than 9 per cent; in 1914 or any year thereafter by not more than 12 per cent. (2) The maximum rate of taxation for all purposes, exclusive of

[1] A joint committee of twelve legislators was provided to be responsible for the preparation of such initiative tax measures as may seem advisable to them for submission to the people in November, 1912; it is also to prepare such arguments for or against all tax measures that may then be submitted to the people. This committee, composed of five senators and seven representatives, is to act in conjunction with the state tax commission.

levies for interest and sinking fund purposes and certain specified emergencies, shall not exceed 10 mills on each dollar of the tax valuation of the taxable property, unless a higher rate be authorized by a vote of the people. (3) In case such higher rate is voted the aggregate rate may not exceed 15 mills. (4) In order that one taxing board or authority may not take advantage of reduced levies made by other taxing boards, there are further limitations placed on the rates which may be levied by each of the local taxing authorities. The rate for county purposes may not exceed 3 mills; for township purposes 2 mills; for city or village purposes 5 mills; for local school purposes 5 mills. In no case, however, shall the aggregate rate exceed 10 mills, or by vote of the people 15 mills.

Local taxing authorities are required to submit estimates of the amounts of money needed for each and every purpose to a Budget Commission, composed of the county auditor, the mayor of the largest municipality in the county, and the county prosecuting attorney, and this Commission is authorized to adjust the various estimates so that the total amount to be raised shall not exceed the authorized levy. In making this adjustment the Budget Commission may reduce but may not increase the annual estimates contained in the budget.

State revenues in Ohio are now for the most part raised by special taxes on corporations, but there is a state levy of a little less than ½ mill under the new law which will have to be provided for out of the one per cent tax levy. This will leave slightly more than 9½ mills for all local purposes, unless by a vote of the people the levy in any district is raised.

M. B. Hammond.

Ohio State University.

Mr. K. K. Kennan, chairman of the Committee on Taxation of the Merchants' and Manufacturers' Association in Milwaukee has made a *Report on the Somers Unit System and the Proposal of the Manufacturer's Appraisal Company to Value Lots and Buildings in Milwaukee* (Milwaukee, 1911, pp. 28). In the preparation of this report Mr. Kennan visited the cities of Cleveland, Marion and Columbus, Ohio, and Philadelphia. The results of the investigation are summarized as follows: In Columbus the assessment based upon the information furnished by the Manufacturers' Appraisal Company was so unsatisfactory that the county auditor refused to pay the bill. In Marion the Appraisal Company did not value real estate but its representative assisted in estimating the value of machinery, fac-

tories, and other buildings. In Philadelphia the Appraisal Company had nothing to do with the work of assessment, but made an independent valuation of a portion of the property. In Cleveland the assessment was not made by the Manufacturers' Appraisal Company, but was largely under the direction of Mr. W. A. Somers. Though an improvement upon any previous assessment it contained many errors. In New York City the unit system for valuing real estate has been perfected to a high degree. Mr. Somers was employed in the New York Tax Department for a little over two years. Unit systems of assessment, differing more or less from the Somers system but apparently equally good, are in use in Newark, New Jersey, in Baltimore, and in some other cities. It is believed that the attempt to exploit the Somers unit system as a trade secret should not be encouraged.

In accordance with a legislative order, the Bureau of Statistics of Massachusetts has issued a report, *Outstanding Indebtedness of Certain Cities and Towns of Massachusetts* (Boston, March, 1911; Municipal Bulletin No. 4, pp. 34). This deals more particularly with municipalities which are not providing sinking funds for the extinguishing of debt. The debts covered by the inquiry relate to loans from individuals or banks obtained on demand notes, to trust funds in possession of the town the principal of which has been borrowed, and to cemetery funds usually known as "perpetual care" funds. It seems that one town has a demand note outstanding for $1000, given in 1852 on which it pays interest at six per cent. Trust funds have been freely borrowed. New Bedford, for example, borrowed a trust fund of $100,000 some forty years ago, so that "now it is out of pocket $200,000 for interest charges with $100,000 debt still on its hands." Many other interesting illustrations in the field of municipal finance may be found in the document.

The *Second Report of the Joint Special Committee on Taxation Laws of Rhode Island,* presented to the legislature in January, 1911 (Providence, 1911, pp. 98), confirms the opinion expressed in the first report. It is believed that the general property tax in Rhode Island stands discredited even more conclusively than it did a year ago. The tax on corporate excess is discussed at some length.

In the *Sixth Report of the Board of State Tax Commissioners, Michigan* (Lansing, 1911, pp. 392), reference is made to the special investigation in regard to the assessment of credits, as mortgages,

bank deposits, and other credits. The amount of taxes paid on mortgage credits amounts to a specific tax of $.0073 on the face value of every mortgage reported for the year 1907. The board asks that authority be given to initiate reviews.

The New York Tax Reform Association (29 Broadway, New York) has reprinted a number of editorials on the *Proposed Amendment of the Inheritance Tax Law of New York* (Broadside, No. 514).

The Library of Congress has just published *Additional References Relating to Reciprocity with Canada* (Washington, 1911, pp. 44). This covers periodical articles of 1910 and 1911 to date, and an index of the recent speeches in congress.

The Committee on Auditing of the Treasury Department has issued a report on *The Accounting System of the United States from 1789 to 1910* (Washington, 1911, pp. 116). Some 20 pages of historical data are given followed by a reprint of laws relating to the auditing offices.

Pamphlets written from the Canadian point of view in opposition to the pending reciprocity legislation with the United States, may be obtained from The Canadian National League (314 McKinnon Building, Toronto).

The Financial Features of our Phillipine Policy, by J. D. Peat, originally published in the Annual Reports of the American Bankers' Association, for 1909 and 1910, has been reprinted in pamphlet form (Washington: Ingram Memorial Press, 1911, pp. 12).

The Fourth Annual Report of the United Committee for Taxation of Land Values 1910-1911 (20 Tothill St., London, S. W., pp. 71) has just appeared. This contains notes on the Free Trade Congress at Paris, and miscellaneous information in regard to the propaganda put forth by the committee.

This committee has also issued two pamphlets entitled *Rural Land Reform* (pp. 12), and *Form IV: "What Next?"* (pp. 28).

"To assist persons called upon to deal with valuations and assessments under the Finance Act, 1910, and to promote the application of just principal to rating and taxation," the Land Union (Saint Stevens House, Westminster, London), has established a new periodical, "The Land Union Journal." In the first issue Mr. Harold Cox criticises at length the land taxes.

Demography

The Bureau of the Census has begun the publication of Bulletins on population. Among those to be noted is *Population of Counties and Equivalent Subdivisions.* The population decreased between 1900-1910 in 771 counties, and increased in 2070 counties. In Indiana, Iowa, and Missouri there was a decrease in the majority of the counties.

Bulletins have also been issued on New Jersey and Vermont, showing the number of inhabitants by counties and minor civil divisions. These bulletins contain maps showing the increase and density of population by counties. Comparisons are given in parallel columns for the three censuses of 1890, 1900, and 1910.

The Bureau of Statistics of Massachusetts has prepared a bulletin, *The Population of Massachusetts as Determined by the Thirteenth Census* (Boston, 1911, pp. 56), in advance of the federal bureau. The population is given for each census during the past century and a half, and there are tables showing the increase in concentration of population in larger towns. There is some discussion of the underlying difficulties in taking the census because of inefficient enumerators.

The addresses of Max J. Kohler, Charles Nagel, and Jacob H. Schiff, before the Council of the Union of American Hebrew Congregations, January 18, 1911, have been reprinted in a pamphlet, *The Immigration Question with Particular Reference to the Jews of America* (New York, pp. 45). The address of Mr. Kohler is a suggestive criticism of the report of the Immigration Commission.

The Bureau of Statistics of Massachusetts has issued a bulletin of *Immigrant Aliens Destined for and Emigrant Aliens Departed from Massachusetts, 1910* (Boston, May, 1911, pp. 8). The study is based on the annual reports of the Commissioner General of Immigration for the years 1896-1910 and the reports of the Superintendent of Immigration for 1892-95.

The question of housing with incidental references to the habits of immigrants is discussed in a recent publication of the Commission of Conservation of Canada (Ottawa, 1911, pp. 27-59). It is pointed out that not all of the immigrants settle in the west to take up homesteads, but that foreign quarters in the larger eastern cities are showing rapid growth.